

ANNUAL REPORT AND ACCOUNTS

2023



THE BEIT TRUST

THE BEIT TRUST

Charity Registration number: 232478

Trustees, Committees and Office Holders

Chairman Mr Alex Duncan MA MSc, Trustee June 2011, Chairman November 2023
Sir Alan Munro KCMG, Chairman 1994, retired November 2023

Trustees Professor CBD Lavy OBE MD MCh FRCS, November 2007
Ms. LLM Bull MA, November 2016
Mr. James Munro, July 2020
Mrs. Alison Tweed, November 2022

Secretary Sir Andrew Pocock KCMG, November 2016

Representative in Africa

Mr. DEB Long, January 2018

Finance Committee Members

Mr. James Munro, 28 October 2020, Chairman November 2023
Mr. Alex Duncan MA MSc, October 2011, Chairman June 2021
Vacated FC Chair November 2023
Ms. LLM Bull MA, May 2018
Professor CBD Lavy OBE MD MCh FRCS, March 2024
Sir Andrew Pocock KCMG, November 2016
Mrs. FM Irwin BSc FCA, May 2018
Mr Thomas Seaman MA, MBA, October 2022

Addresses of The Beit Trust

In the UK Beit House
Grove Road
Woking
Surrey
GU21 5JB

In Africa 5 Ludlow Road
Newlands
Harare
Zimbabwe

Statutory Auditors Azets Audit Services Limited
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Investment Managers Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

THE 117th YEAR OF THE BEIT TRUST

Charity Registration Number 232478

PART 1 - FOUNDATION, GOVERNANCE & MANAGEMENT

FOUNDATION

The Trust was established in 1906 by the Will of Alfred Beit, a financier and philanthropist. He had many interests and left a substantial legacy to a wide range of charitable causes.

His Will specifically established the Beit Railway Fund, to promote regional communications via the development of the railway system in Southern Africa.

It also provided, should Trustees decide that the Fund was no longer needed for its primary purpose, that the income could be applied to “education, public or other charitable purposes”. This now forms the mandate for the modern operations of the Trust.

In 1954, the Trust was reconstituted by a British Act of Parliament. Under Section 3 of the Act, the Beit Trust became an incorporated body. With the advent of Federation in the same year, the country of Malawi was included as a beneficiary in the Trust’s "Specified Area," joining Zambia and Zimbabwe.



Alfred Beit

GOVERNANCE

Trustees

The Beit Trust Act specifies six Trustees but is quorate with three. Vacancies are filled as they arise. Sir Alan Munro retired as Trustee and Chairman in November 2023, and was succeeded by Mr Alex Duncan (who relinquished his Chairmanship of the Finance Committee, to be succeeded there by Mr James Munro). The Board ended 2023 with five Trustees, therefore, pending the appointment of a sixth. Trustees must have a broad knowledge of Southern Africa, and the Board has expertise in the fields of international relations, commerce, medicine and education. Mr Seaman's membership of the Finance Committee has added specialist investment expertise.

Trustees' Responsibilities Statement

Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity, of its incoming resources and the application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Acts 2011 and 2022 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Recruitment, Induction and Training of New Trustees

The Secretary inducts new Trustees and helps with training if there is no previous experience of charity Trusteeship.

The Trust's Objectives

Alfred Beit set out the Trust's objectives in his Will. These were re-affirmed in The Beit Trust Act 1954. The Trust's benevolent mandate is exclusively for Zambia, Zimbabwe and Malawi.

It does not fundraise. The 1906 Beit bequest, and its prudential management for 117 years, remains the Trust's sole funding source.

In 1946, the Trustees changed the focus from communications infrastructure to assistance in **education** (including now postgraduate scholarships, school buildings, teacher training, libraries, books and computers); **health** (including hospitals, clinics, medical equipment, support for regional trainee surgeons and in-country secondments for junior doctors); **welfare** (including care homes for the elderly); and **culture and conservation** (notably the conservation of endangered species and climate action). The Trust takes care to evaluate its priorities and ensure its ways of working remain effective in achieving its objectives. It does so, for Trust-funded projects, through regular spot-checks by Trustees, the Secretary, the Harare-based Representative and the Trust's regional Correspondents; and, in the broader context, through consultations with a wide range of other well-informed interlocutors. An internal Strategic Review in September 2023 has helped confirm that the Trust is effectively fulfilling its mandate.

Individual project grants seldom exceed £50,000. The Trustees rarely make grants to other UK grant-making charities, but occasionally provide funds for crisis relief.

Public Benefit

The Trustees confirm that in the exercise of their powers and duties they have complied with their responsibility to have due regard to Charity Commission guidance on public benefit (outlined under **The Trust's Objectives** above, and throughout this report).

MANAGEMENT

The Trust's Organisation

Trust Headquarters is Beit House in Woking, Surrey. The Representative in Africa works with his staff from an office in Harare. There are four salaried staff in the UK and three (two part time) in Zimbabwe. They receive a salary uplift of RPI (from 2024 CPI) per annum, plus a performance review every three years.

Trustees meet every six months to agree broad strategy on investments, reserves and risk management, and to consider grant applications. They are supported by a committee of regional Correspondents, three per beneficial country (four in Zambia). These are all volunteers and essential to the Trust's cost-effective performance. The Correspondents Committee Meeting is held six weeks before Trustee Boards, to give expert regional advice on each grant application.

£1.6 million was made available in 2023 for new projects recommended in-country by the Correspondents. In addition, Trustees customarily allocate £1 million every year to long-term recurrent grants for academic and medical scholarships and bursaries, student hardship relief, library books, school computers and contingency support.

The Trust's Finance Committee meets four weeks prior to the Trustee Boards. Cazenove Capital, the portfolio investment managers, attend and address finance and investment policy matters. In November, the Finance Committee submits to the Trustees, for their approval, a proposed budget of income and expenditure for the coming year.

Investment Policy

The Trustees' policy, through prudential investment and management, is to maintain and increase the Trust's capital base in real terms, while using dividend earnings and capital growth to continue beneficial operations in perpetuity. The Trust's diversified investments are managed by Cazenove Capital, monitored by the Trust's Finance Committee. In 2023, Beit dividend income was £2.87m (£2.57m in 2022).

The Trust's investment objective, set in 2011, has been dividend returns of RPI+4%. Performance has varied. Dividend returns in 2023 have been below this benchmark.

Trustees take a total return approach to the Beit portfolio. Excluding invested cash balances, the portfolio ended the 2023 calendar year at £120.6m (£115.4m in 2022). Total Trust expenditure in 2023 was £3.93m (£3.04m in 2022). The investment portfolio is diversified, to mitigate exposure to market volatility.

Grants Policy

Applications for grants are considered on merit. Trustees seldom give grants to government organisations. Instead, they support independent institutions, in particular schools, hospitals and health centres. Trustees seek to maintain, as far as possible, an equitable distribution of grants between the three countries.

Strict rules are applied to infrastructure grants, to ensure that detailed and serviceable plans are submitted before a grant is paid. A proportion of the funding is routinely withheld until the Trust is sure that a project can be satisfactorily completed, to or below budget. Regular visits within the beneficial area by Correspondents, the Representative, Trustees and the Secretary allow an application to be judged before Trustees consider it; progress reviewed while under construction; and work assessed when finished. Trustees place particular emphasis on the sustainability of new projects in staffing and maintenance terms.

Reserve Policy

The Trust does not run a specific Reserves Policy as, effectively, the whole investment portfolio would be available to act as a reserve for Trust activities.

The level of total reserves on 31 December 2023 was **£117.2m**, consisting of unrestricted general reserves of **£120.3m**, less the pension reserve of **£3.1m**. The Pension Fund represents the unfunded defined benefit pension scheme liability. The unrestricted reserves consist of a Capital Fund of **£118.5m**, which can be used in accordance with the Trust's charitable objectives at the discretion of Trustees; and a Reserve Fund (consisting of unspent income from previous years) of **£1.8m**.

Trustees, having taken guidance from the Charity Commission, have stated that Beit Trust policy is to commit investments accumulated on a total return basis to benevolent and associated administrative expenditure. Since commitments take time to fulfil, at the end of any one year there is likely to be a carry-forward, which is included in the Reserve Fund. Trustees may decide to draw on this in future years, to smooth and manage benevolent cash-flows. In addition, Trustees from time to time make donations for specific large projects or needs, which form a direct charge to the Reserve Fund.

Ethical and Socially Responsible Investment Policy

Trustees abide by the restrictions against holding ordinary shares in mining stocks stipulated in Alfred Beit's Will. They delegate to their investment managers, Cazenove Capital, the

responsibility for taking environmental, social and governance (ESG) issues into account when assessing the selection, retention and realisation of investments. They expect the fund manager to engage with companies on ESG issues; observe best practice; exercise voting rights accordingly; and monitor the implementation of this policy.

CHARITABLE VENTURES ASSOCIATED WITH THE BEIT TRUST IN 2023

Beit Trust Postgraduate Scholarships

During 2023, the Trust provided 21 new Scholarships at British and South African institutions, through generous academic partnerships with leading universities. Joint scholarships continued with Stellenbosch, Rhodes and UCT in South Africa; and with Cambridge, Edinburgh, Glasgow, Leeds, Oxford, St Andrews and Strathclyde Universities in the UK.

The Trust provided £80,000 in hardship support to financially constrained undergraduate and postgraduate students from the beneficial area. A total of 63 emergency Beit Bursaries were awarded by hardship committees at four South African universities.

COSECSA

Since 2009, the Trust has helped the College of Surgeons of East, Central and Southern Africa (COSECSA). It has sponsored at least one aspiring surgeon per year, per country, throughout their five- year training. In 2023, 11 Beit-COSECSA scholarships were held by four surgeons each from Zimbabwe and Malawi and three from Zambia.

Beit Trust Black Rhino Conservation Project

The only significant black rhino population in the beneficial countries is in Zimbabwe. It remains endangered by continued poaching and encroachment on reserves. In 2023, Trustees allocated a further £10,000 to the Lowveld Rhino Trust, and £30,000 a year for five years for a community outreach and education project connected with black rhino conservation.

Book Aid International (BAI) is a registered UK charity which supplies a broad range of books, educational materials and assistance to libraries in developing countries worldwide. The Trust gave BAI a grant of £75,000 for book provision to Zambia, Zimbabwe and Malawi.

Biblioneef (South Africa) is a literary charity working out of Cape Town. It supplies book packs to schools in Southern Africa. The Trust provided support of up to £30,000.

PERFORMANCE

Expenditure in 2023

The Trustees approved grants totaling £2,792,835 (£2,219,184 in 2022). The table below is a summary of grants paid. Further details are in Part 3 (Note 5).

PAID	Scholarships & bursaries	Education	Health	Welfare	Conservation & culture	Total
	£	£	£	£	£	£
General grants	126,217	134,050	57,575	1,600	46,000	365,442
One Off projects	-	-	285,000	-	-	285,000
Zimbabwe	242,573	231,905	116,729	82,121	24,799	698,127
Malawi	218,890	125,500	126,000	-	39,500	509,890
Zambia	221,984	315,800	20,900	-	87,600	646,284
Total	809,664	807,255	606,204	83,721	197,899	2,504,743

Support and Governance costs in 2023

Salaries, national insurance, pensions, *ex-gratia* payments and allowances to Trust staff and pensioners increased by 14.4% to £587,387 (£513,638 in 2022). Harare office expenses increased to £83,059 (£80,207 in 2022). Correspondents' expenses increased to £55,133 (£49,554 in 2022). Working office costs increased to £57,018 (£43,234 in 2022). This included the Auditor's fee of £13,680, including VAT (£10,080 in 2022). Exchange losses incurred were £27,012 (£29,372 gain in 2022).

The Financial Statement

	2023	2022
	£	£
Income & expenditure for the year		
Income	<u>3,018,821</u>	<u>2,596,926</u>
Expenditure		
Grants approved	2,792,835	2,219,184
Less grants written back	<u>68,287</u>	<u>(109,601)</u>
	2,861,122	2,109,583
Working & Harare office costs, including exchange rate differences	754,476	607,707
Investment Manager's fees	282,281	286,909
Tours	<u>34,813</u>	<u>37,949</u>
Total expenditure	<u>3,932,692</u>	<u>3,042,148</u>
Total (deficit)	<u>(913,871)</u>	<u>(445,222)</u>

The year-end value of the Beit portfolio, including cash balances after the expenditure outlined above, was £121,248,985 (£116,263,977 in 2022), showing a net increase of 4 %.

Pensions and Gratuities

Trustees established a Defined Benefit arrangement in 2014 for new employees. Given the very small number of present and retired Beit servants, Trustees have not established a separate Pension Fund. The unfunded pension liability was calculated by actuaries, The Cartwright Group, as £3,072,829 at 31 December 2023.

The Trustees' policy on accounting for this liability is set out in detail at Note 18 (Part 3, page 3.14).

Risk Assessment

Trustees considered the major risks to which the charity could be exposed, and reviewed mitigation. They are not aware of any irregularities, including fraud, involving management or employees. Nor are they aware of any instances of actual or possible non-compliance with laws, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other losses.

The Trust faces both financial and operational risk. The financial risk in maintaining and enhancing the capital value of its endowment is addressed through a professionally managed, diversified portfolio of high-quality assets across a wide variety of asset classes and markets. Performance and risk mitigation are reviewed twice a year by the Trust's Finance Committee.

The major operational risks are twofold: that Beit funding is not used effectively to achieve impact; and from political and financial fragility in the region. The Trust uses its Harare Representative, network of regional CotTendents, and twice-annual tours by Trustees and Trust officials to monitor both; while contingency plans to respond to the latter are routinely reviewed.

Tours in 2023

The retiring Chairman, Sir Alan Munro, made his final Trustee tour of the beneficial countries in March/ April 2023. Liseli Bull then toured in the autumn. Tours will continue in 2024.

CONCLUSION

In 2023 the Beit Trust continued to deliver on its mandate and objectives: providing support to its beneficial countries; helping institutions remain viable which might otherwise founder; boosting human capital wherever possible; and as a catalyst to self-help and self-improvement. It remained committed, in the words of former Chairman Sir Otto Beit, to underwriting work of "substantial and permanent importance."

Approved by Trustees on 27 June 2024 and signed on their
behalf by:

Mr Alex Duncan MA MSc, Chairman of Trustees



Independent Auditor's Report to the Trustees of The BEIT Trust

Opinion

We have audited the financial statements of The BEIT Trust (the 'charity') for the year ended 31 December 2023 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the industry, we identified that the principal risks of non-compliance with laws and regulations related to the carrying value of investments; the carrying value of the defined benefit pension scheme liability; the recognition of income; and the recognition of grant obligations and expenditure. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, FRS 102 and the Charity SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments or the defined benefit pension scheme liability. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or of fraud.
- Evaluation of management's internal controls designed to prevent and detect irregularities.
- Reading key correspondence with the Charity Commission in relation to compliance with laws and regulations.
- Reviewing relevant meeting minutes.
- Procedures relating to the valuation of investments and the defined benefit pension liability, including testing investment ownership and valuation to third party sources and obtaining and reviewing the pension scheme actuarial valuation and assessing the assumptions and estimates utilised therein.
- Identifying and testing journal entries and other significant transactions, in particular any that appeared unusual or outside the normal course of the charity's activities. Evaluating the rationale for such journal entries or transactions.
- Assessing whether the judgements made in making accounting estimates were indicative of a potential bias.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement, whether due to fraud or otherwise.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members to enable them to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date: 27 June 2024

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ANNUAL REPORT

THE BEIT TRUST

PART 3 - FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2023

		Total funds 2023	Total funds 2022
	Notes	£	£
Income and expenditure - Unrestricted funds			
Income			
Investments	3	3,018,821	2,596,926
Total income		3,018,821	2,596,926
Expenditure			
Raising funds	4	282,281	286,909
Charitable activities			
Grants and donations	5	2,861,122	2,109,583
Support costs	6	554,793	441,258
		3,415,915	2,550,841
Other			
Governance costs	7	234,496	204,398
Total expenditure		3,932,692	3,042,148
Net (expenditure) before investment gains / (losses)		(913,871)	(445,222)
Net gains / (losses) on investments		5,531,942	(9,131,810)
Net income / (expenditure)		4,618,071	(9,577,032)
Other recognised (losses) / gains			
Actuarial (losses) / gains on defined benefit pension scheme	18	(31,405)	738,366
Net movement in funds		4,586,666	(8,838,666)
Reconciliation of funds			
Total funds brought forward		112,655,028	121,493,694
Total funds carried forward	19	117,241,694	112,655,028

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST**Balance sheet at 31 December 2023**

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	13	173,240	156,200
Investments	14	120,564,216	115,391,547
		<hr/>	<hr/>
		120,737,456	115,547,747
		<hr/>	<hr/>
Current assets			
Debtors	15	512,501	317,314
Cash at bank and in hand	16	433,458	819,839
		<hr/>	<hr/>
		945,959	1,137,153
Liabilities:			
Creditors falling due within one year	17	1,368,892	988,448
		<hr/>	<hr/>
Net current (liabilities) / assets		(422,933)	148,705
		<hr/>	<hr/>
Total assets less current liabilities		120,314,523	115,696,452
Unfunded defined benefit pension scheme liability	18	3,072,829	3,041,424
		<hr/>	<hr/>
Net assets		117,241,694	112,655,028
		<hr/>	<hr/>
Funds			
Unrestricted funds	19	120,314,523	115,696,452
Pension reserve	19	(3,072,829)	(3,041,424)
		<hr/>	<hr/>
		117,241,694	112,655,028
		<hr/>	<hr/>

Approved by the Board of Trustees on 27 June 2024 and signed on its behalf by:

Mr James Munro
Chairman of the Finance Committee

THE BEIT TRUST**Cash flow statement for the year ended 31 December 2023**

	Notes	2023 £	2022 £
Operating activities			
Net (expenditure) before investment gains / (losses)		(913,871)	(445,222)
Depreciation charge		8,631	8,392
(Increase) / decrease in debtors		(195,187)	182,587
Increase in creditors		380,444	139,707
		<hr/>	
Net cash (outflow) from operating activities		(719,983)	(114,536)
		<hr/>	
Capital expenditure and financial investment			
Proceeds from sale of investments		39,355,926	20,280,084
Payments to acquire tangible fixed assets		(25,671)	(4,257)
Purchase of investments		(38,570,067)	(19,056,548)
		<hr/>	
Net cash flow movement from investing activities		760,188	1,219,279
		<hr/>	
Management of liquid resources			
Net movement in funds on short term deposit	20	(426,586)	(978,891)
		<hr/>	
(Decrease) / increase in cash	20	(386,381)	125,852
		<hr/>	
Cash and cash equivalents at 31 December 2022		819,839	693,987
		<hr/>	
Cash and cash equivalents at 31 December 2023		433,458	819,839

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST

Notes to the financial statements for the year ended 31 December 2023

The Beit Trust is registered with the Charity Commissioners (No. 232478).
The Registered Office is Beit House, Grove Road, Woking, Surrey, GU21 5JB, UK.

(1) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(2) Principal accounting policies

The principal accounting policies remain unchanged from the previous year. The net liability on the unfunded pension scheme has been included on the balance sheet in compliance with FRS 102.

(a) Investments

Investments are included at closing mid-market value at the balance sheet date.

Gains and losses on disposal and revaluation of investments are taken to the Statement of Financial Activities.

(b) Investment income

Investment income is accounted for in the year in which the Trust is entitled to receipt.

(c) Expenditure

Liabilities are recognised as expendediture is incurred as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds comprises costs of managing the investment portfolio.

Grants payable are to third parties in furtherance of the Trust's charitable objectives. Provisions for grants are made in the year in which the grant is approved by the Trustees, and any over or under provision adjusted once the final amount of the grant has been paid.

THE BEIT TRUST

Notes to the financial statements for the year ended 31 December 2023

(c) Expenditure (cont'd)

Overheads are allocated between support costs within charitable activities and governance. Support costs comprise costs for processing grants and applications, including Harare office costs, trustees' tours and foreign currency translation differences. Governance costs comprise those incurred in meeting the Trust's constitutional and statutory obligations. The costs of the Woking office are apportioned between support and governance costs based upon staff time expended.

(d) Foreign currencies

The financial statements are presented in Pounds Sterling, which is the functional currency. Transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Balances denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. All differences are taken to the statement of financial activities.

(e) Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than freehold land for which the estimated cost is £52,000, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates generally applicable are:

Freehold buildings	2%
Motor vehicles	25%
Computer equipment	33⅓%
Fixtures, fittings and equipment	10%

The freehold building, Beit House, Woking, was valued on 13 May 2022 at £470,000, but is carried in the balance sheet at historical cost less depreciation. Trustees intend to have the property valued again in 2025.

(f) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Pensions

The Trust operates an unfunded defined benefit scheme for all staff. The net actuarial liability representing the net deficit on the scheme is included on the balance sheet in accordance with the requirements of FRS 102. Other pension costs are accounted for as they are paid to retired employees.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(h) Fund accounting**

The following funds held by the Trust are all unrestricted:

Capital fund - this fund can be used in accordance with the charitable objectives at the discretion of the Trustees.

Reserve fund - this fund is set aside by the Trustees out of general funds to smooth and manage cash-flows or to make donations for specific large projects. Net expenditure is transferred into this fund.

Pension fund - this fund represents the unfunded defined benefit pension scheme liability.

(i) Key judgements

The trustees consider the only key judgements to be the pension assumptions (described in Note 18).

(3) Income from investments

	2023	2022
	£	£
Dividends and bond interest	2,872,655	2,568,049
Cash deposits	107,314	22,757
Other bank current and deposit accounts	38,852	6,120
	<hr/> 3,018,821	<hr/> 2,596,926

(4) Raising funds

	2023	2022
	£	£
Investment Managers' fees	282,281	286,909
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(5) Grants and donations**

Grants and donations paid, written back, voted and unspent in 2023.

	Unspent grants brought forward £	Grants paid in the year £	Unspent grants written back £	New grants voted in 2023 £	Unspent grants carried forward £
Unrestricted funds					
General grants, scholarships and bursaries	-	1,048,889	(75,208)	984,635	10,954
One off projects	-	285,000	-	285,000	-
Zimbabwe	292,889	455,554	6,921	635,200	465,614
Malawi	241,300	291,000	-	269,700	220,000
Zambia	306,100	424,300	-	618,300	500,100
	840,289	2,504,743	(68,287)	2,792,835	1,196,668

£2,861,122 charged in the statement of financial activities is derived from new grants voted in 2023 less unspent grants written back.

Unspent grants written back is a negative figure this year as more scholarships than voted were awarded to support particularly outstanding applications.

(6) Support costs

	Notes	2023 £	2022 £
Harare office	10	307,806	283,115
Woking office	12	185,162	149,566
Overseas tours	11	34,813	37,949
Difference on exchange		27,012	(29,372)
		554,793	441,258

(7) Governance costs

		2023 £	2022 £
Woking office	12	234,496	204,398

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(8) Analysis of support and governance costs**

	Staff costs £	Other costs £	Depreciation £	Total 2023 £	Total 2022 £
Support costs	371,015	177,393	6,385	554,793	441,258
Governance costs	216,372	15,878	2,246	234,496	204,398
	<hr/>				
	587,387	193,271	8,631	789,289	645,656
	<hr/>				

(9) Employee costs

	2023 £	2022 £
Wages and salaries	306,551	274,638
National insurance	18,636	15,120
Zimbabwe National insurance	1,423	1,388
Zimbabwe Medical Aid Society costs	32,405	26,427
Pensions	160,764	134,865
Ex gratia payments in lieu of pensions	67,608	61,200
	<hr/>	
	587,387	513,638
	<hr/>	

Ex gratia payments made to certain retired employees are reviewed annually.

The Trust Secretary, Sir Andrew Pocock, earned in excess of £60,000 per annum both in 2023 and 2022. He is a member of the Trust pension scheme.

The Trust's key management personnel received remuneration totalling £158,373 (2022, £139,491).

The five Trustees have not received any remuneration from the Trust, but are reimbursed for their travelling and other expenses incurred on Trust business as disclosed in notes 11 and 12.

The total number of employees in 2022, by location, was: Harare - 2 Woking - 4 (2022, Harare - 2; Woking - 4).

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(10) Harare office expenses	2023	2022
	£	£
Salaries	98,891	99,988
Zimbabwe National Insurance	1,423	1,388
Zimbabwe Medical Aid Society costs	32,405	26,427
Pensions	56,316	42,777
Ex gratia payments in lieu of pensions	35,712	32,328
Property (rent, light, heat and maintenance)	11,930	12,833
Office administration	3,615	4,735
Representative's local travel and motor expenses	6,470	5,058
Correspondents' and Scholarship Board expenses	55,133	49,554
Legal & professional	143	3,252
Audit and accountancy	1,177	1,033
Bank charges	2,311	2,006
Depreciation	2,280	1,736
	<hr/>	<hr/>
	307,806	283,115
	<hr/>	<hr/>
(11) Overseas tours	2023	2022
	£	£
Trustees' visits to Zimbabwe, Malawi and Zambia	22,767	10,779
Representative's visits	12,046	10,650
Secretary's visits	-	16,520
	<hr/>	<hr/>
	34,813	37,949
	<hr/>	<hr/>

Two Trustees made separate visits to the beneficial countries in 2023. The Representative made a number of visits within the Trust's countries to ensure that the Trust funds were being expended for the purpose originally requested, as well as accompanying the Trustees on tour.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(12) Working office expenses	2023	2022
	£	£
Salaries	207,660	174,650
National Insurance	18,636	15,120
Pensions	104,448	92,088
Ex gratia payments in lieu of pensions	31,896	28,872
Property (rent, rates, light, heat and maintenance)	8,389	8,862
Office administration	13,736	10,059
Secretary and Scholarship support expenses	6,647	685
Secretary's travel and motor expenses	388	312
Trustees' travel and meeting expenses	4,398	2,225
Audit fees	13,680	10,080
Legal and professional	3,336	4,236
Bank charges	93	119
Depreciation	6,351	6,656
	<hr/>	<hr/>
	419,658	353,964
	<hr/>	<hr/>
Allocated as:		
Support costs	185,162	149,566
Governance costs	234,496	204,398
	<hr/>	<hr/>
	419,658	353,964
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(13) Tangible assets**

	Freehold land & buildings £	Motor vehicles £	Computer equipment £	Fixtures fittings & equipment £	Total £
Cost					
At 01 January 2023	237,572	54,725	11,732	31,753	335,782
Additions	17,171	-	-	8,500	25,671
Disposals	-	-	-	(2,745)	(2,745)
At 31 December 2023	254,743	54,725	11,732	37,508	358,708
Accumulated depreciation					
At 01 January 2023	92,056	54,725	7,755	25,046	179,582
Charge for year	4,055	-	2,557	2,019	8,631
Disposals	-	-	-	(2,745)	(2,745)
At 31 December 2023	96,111	54,725	10,312	24,320	185,468
Net book values					
At 31 December 2023	158,632	-	1,420	13,188	173,240
At 31 December 2022	145,516	-	3,977	6,707	156,200

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(14) Investments**

	2023	2022
	£	£
Listed investments		
Market value at 1 January 2023	115,391,547	124,768,002
Additions	38,570,067	19,056,548
Disposals	(38,963,103)	(20,527,580)
Increase in uninvested cash	426,586	978,891
Net Unrealised investment gain / (losses)	5,139,119	(8,884,314)
	<hr/>	<hr/>
Market value at 31 December 2023	120,564,216	115,391,547
	<hr/>	<hr/>
Cost at 31 December 2023	104,199,806	104,969,363
	<hr/>	<hr/>

No single investment comprises more than 5% of the Trust's investments apart from the following funds:

Fidelity Global Dividend Fund (6.1%)
Schroder Global Sustainable Growth (8.5%)
HSBC FTSE All-World Index Fund (10.8%)
Vanguard S&P 500 UCITS ETF (15.0%)

The investments as at 31 December were divided as follows:

	2023	2022
	£	£
UK equities and unit trusts	4,738,942	18,868,101
Overseas equities and unit trusts	80,876,454	60,632,758
UK fixed interest	5,588,840	4,923,036
Alternative investments	15,881,118	16,874,654
Property unit trusts	10,195,708	11,236,429
Cash on deposit	3,283,154	2,856,569
	<hr/>	<hr/>
	120,564,216	115,391,547
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(15) Debtors	2023	2022
	£	£
Prepayments and accrued income	512,501	317,314
	<hr/>	<hr/>
	512,501	317,314
	<hr/>	<hr/>
(16) Cash at bank and in hand	2023	2022
	£	£
United Kingdom:		
Current accounts	103,370	130,398
Deposit accounts	326,868	681,641
In hand	174	268
Zimbabwe, Malawi and Zambia:		
Current accounts *	321	2,108
In hand *	2,725	5,424
	<hr/>	<hr/>
	433,458	819,839
	<hr/>	<hr/>
* Including £3,046 (2022 - £7,532) in foreign currencies.		
(17) Liabilities: creditors falling due within one year	2023	2022
	£	£
Schroder Investment Management Limited	70,842	70,603
Accruals	91,729	69,539
Unspent grants carried forward	1,196,668	840,289
Other creditors	9,653	8,017
	<hr/>	<hr/>
	1,368,892	988,448
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(18) Unfunded defined benefit pension scheme liability	2023	2022
	£	£
Unfunded defined benefit pension scheme liability	3,072,829	3,041,424

The Trust operates a defined benefit pension scheme. This is an unfunded arrangement where benefits are paid out of the Trust's portfolio when due. An actuarial valuation was undertaken as at 31

December 2022 establishing a liability of £3,072,829.

Other key assumptions that have been used in the calculations are:

	2023	2022
Rate of increase in salaries - current trustee directives	3.15%	3.45%
Rate of increase in deferred pensions - current trustee directives	3.15%	3.45%
Rate of increase in ex gratia payments - current trustee directives	2.65%	2.85%
Discount rate - current AA-rated UK Government Bond yield	4.50%	4.75%
Inflation assumption - current published information	3.15%	3.45%

Changes in the present value of the plan liabilities are as follows:

	2023	2022
	£	£
Present value of plan liabilities at 1 January 2023	3,041,424	3,779,790
Current service cost	52,265	105,569
Benefits paid	(228,372)	(196,064)
Interest on plan liabilities	140,285	70,956
Actuarial losses / (gains)	67,227	(718,827)
Actuarial losses / (gains) on defined benefit pension scheme	31,405	(738,366)
Present value of plan liabilities at 31 December 2023	3,072,829	3,041,424

The scheme is unfunded and holds no assets.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(19) Movements on unrestricted funds during the year**

	Capital fund £	Reserve fund £	Pension Reserve £	Total funds 2023 £	Total funds 2022 £
Total funds brought forward	112,979,670	2,716,782	(3,041,424)	112,655,028	121,493,694
Net (expenditure) before investment gains / (losses)	(913,871)	-	-	(913,871)	(445,222)
Actuarial (losses) / gains on defined benefit pension scheme	-	-	(31,405)	(31,405)	738,366
Transfer to reserve fund from capital fund	913,871	(913,871)	-	-	-
Net gains / (losses) on investments	5,531,942	-	-	5,531,942	(9,131,810)
Total funds carried forward	118,511,612	1,802,911	(3,072,829)	117,241,694	112,655,028

The Reserve Fund is a fund of unspent income from previous years which may be used in future years, to smooth and manage cash-flows or to make donations for specific large projects. Net expenditure is transferred into this fund.

(20) Analysis of changes in net funds

	Net funds at 1.1.23 £	Cash flows £	Net funds at 31.12.23 £
Cash at bank and in hand	819,839	(386,381)	433,458
Cash on deposit awaiting investment	2,856,570	426,586	3,283,156
	3,676,409	40,205	3,716,614